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Message Text

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ACTION XMB-04

INFO OCT-01 EA-07 NEA-10 ISO-00 EUR-12 EB-07 COME-00
TRSE-00 CIAE-00 INR-07 NSAE-00 INT-05 L-03 /056 W
----------161332Z 016504 /42
R 160915Z MAY 77
FM AMEMBASSY DACCA
TO SECSTATE WASHDC 4656
INFO AMEMBASSY SINGAPORE

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E.O. 11652: N/A
TAGS: ETIO, XMB, BG, ENGR
SUBJECT: BANGLADESH OIL EXPLORATION COMPANY MAY PURCHASE
OIL RIGS

REF: A. 76 DACCA 4072 B. DACCA 525 C. STATE 30504

1. ACCORDING TO THE CONTINENTAL-EMSCO SOUTHEAST ASIA SALES REPRESENTATIVE (RESIDENT SINGAPORE), THE BANGLADESH "TOILA SANDHANI" (GOVERNMENT-OWNED OIL EXPLORATION COMPANY) IS NEGOTIATING WITH THREE US COMPANIES, PLUS STATE CORPORATIONS OF ROMANIA AND USSR FOR THE PURCHASE OF TWO POIL DRILLING RIGS AND ASSOCIATED STORIES, EQUIPMENT AND TRAINING. SALES WOULD BE WORTH ABOUT DOLS 12 TO 15 MILLION TO SUCCESSFUL US FIRM. SOVIET UNION IS OFFERING RIGS FREE (BUT WOULD CHARGE FOR SPARES, ETC.), WHILE ROMANIAN TERMS INCLUDE PAYMENT OVER TEN YEARS AT LOW INTEREST RATES.

2. DESPITE TERMS OF EASTERN EURPOEAN SELLERS, BDG OFFICIALS WOULD PREFER TO BUY AMERICAN. FIRST, THEIR PAST EXPERIENCE WITH SOVIET RIGS HAS NOT BEEN GOOD; SECOND, THEY WOULD LIKE TO REDUCE THEIR DEPENDENCE ON, AND INVOLVEMENT WITH, THE SOVIETS IN THIS AREA; AND
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THIRD, THEY KNOW THAT US EQUIPMENT IS MORE SOPHISTICATE AND OF HIGHER QUALITY. TO BUY US (AND REJECT EASTERN EUROPEAN OFFERS), HOWEVER, BDG OFFICIALS SAID THEY MUST HAVE SOME HELP WITH FINANCING.

3. WHILE WE HAVE NOT TALKED WITH OTHER US FIRMS (AND EMSCO REP DID NOT IDENTIFY THEM), IT IS

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APPARENT THET IF ANY US SELLER CAN COME UP WITH A REASONABLE FINANCING PACKAGE, HE WOULD BE VIRTUALLY CERTAIN TO SELL ONE, AND PROBABLY TWO, RIGS. US BANK HERE (AMEXCO) WOULD BE INTERESTED IN PARTICIPATING IN ANY LOAN AGREEMENT PROVIDED EXIMBANK OR FCIA PARTICIPATES IN LOAN OR GUARANTEES REPAYMENT.

4. WE CONVEYED LATEST EXIMBANK POSITION (REFTEL C) TO EMSCO REP, WHO NEVERTHELESS SAID HIS COMPANY MIGHT APPROACH EXIM IN WASHINGTON TO SEE WHAT MIGHT BE POSSIBLE.

5. COMMENT: PARALLEL TO PREVIOUS CASES (SEE FOR EXAMPLE REFTEL A), A REFUSAL BY EXIMBANK TO TAKE EVEN A MODEST LOAN POSITION IN BANGLADESH WILL ALMOST CERTAINLY COST CONTINENTAL-EMSCO THIS SALE.
MASTERS

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NNN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Control Number: n/a
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Errors: N/A
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Office: ACTION XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
Reference: 76 DACCA 4072
Retention: 0
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Subject: BANGLADESH OIL EXPLORATION COMPANY MAY PURCHASE OIL RIGS
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Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/432b4693-c288-dd11-92da-001cc4696bcc
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